



Office of the City Manager

CONSENT CALENDAR
January 21, 2020

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Phillip Harrington, Director, Public Works

Subject: Contract No. 10645 Amendment: Recology Blossom Valley Organics - North for the Hauling and Processing of Organic (Compostable) Materials

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment to Contract No. 10645 for a five (5) year term with Recology, Inc.'s Blossom Valley Organics - North facility for the hauling and processing of organic (compostable green and food waste) materials through February 28, 2025 increasing the amount by \$13,600,000 for a total amount not-to-exceed \$26,661,930.

FISCAL IMPACTS OF RECOMMENDATION

Funding is available in the FY 2020 Zero Waste Fund (601) budget. Funding for FY 2021 - FY 2025 is subject to appropriation.

Original contract amount for	\$13,061,930
Proposed increase (this amendment)	\$13,600,000
Total New Contract Amount	\$26,661,930

This contract has been assigned Vendor Contract Number 10645.

CURRENT SITUATION AND ITS EFFECTS

The City currently contracts with Recology Inc.'s Blossom Valley Organics – North facility (Recology) for the hauling and composting of organic (compostable green and food waste) materials. This contract will expire February 29, 2020.

The current contract provides the City and Recology a mutual option to amend the contract for an additional five (5) year term. Recology has proposed a first year rate for the contract amendment that includes keeping the current base rate of \$55.26 per ton for composting (processing) and a revised \$24.09 per ton fee for hauling organic (compostable) materials from the City's Transfer Station to Recology's Blossom Valley – North composting (processing) facility. The current contract hauling rate is \$17.26 per ton plus fuel cost escalator. The proposed hauling rate for the contract amendment

reflects current marketplace tractor-trailer transportation costs. The overall contract amount of net change (processing plus hauling) of the contract amendment is estimated to be \$538,070 or 4.1%. As with the current contract, this contract amendment includes a non-fuel cost annual increase keyed to the San Francisco Bay Area All Consumer Price Index (CPI) and a fuel cost escalator based on the Energy Information Administration Oil Price Information Service Index¹.

In addition and based on the weight of organic materials delivered to Recology, the contract requires Recology to deliver end products (up to 5% by weight of average monthly delivered tons), such as, finished compost, to a City designated location for community members' use at no cost. During the months of February to October, free compost is made available to City of Berkeley residents.

BACKGROUND

In January 2010, Department of Public Works released a Request for Proposals (RFP) for composting organic (compostable) materials with a hauling option that required the vendor to deliver five percent (5%) of the finished compost product to the City for use by Berkeley community members. In May 2010, Council approved Contract No. 8389 with Recology Inc. - Grover Environmental Products for a three year term ending July 31, 2013. That contract included two (2) one year extensions requiring mutual consent of the parties and it expired July 31, 2015. The contract with Recology was further amended by letter and extended through January 31, 2017.

In June 2016, the City released a RFP for hauling and composting of organic (compostable) materials delivered to the City's Transfer Station. Of the three responses received at that time, East Bay Municipal Utility District (EBMUD) and Napa Recycling were deemed non-responsive as their facilities would not become operational by the required contract start date of January 31, 2017. Recology Blossom Valley Organics – North (formerly Recology Grover Environmental Products) was deemed the most responsive and responsible bidder and at the conclusion of the RFP process, the City entered into negotiations with Recology. On January 31, 2017, the City Council authorized the City Manager to enter in a contract with Recology, Inc. for \$13,061,930 by Resolution No. 67,827–N.S² including one (1) five year mutual extension.

This contract amendment authorization would allow the City to continue to support the City's goal of Zero Waste and its Strategic Plan goal of being a global leader in addressing climate change and protecting the environment.

¹ https://www.eia.gov/dnav/pet/pet_pri_refoth_dcu_nus_m.htm

² https://www.cityofberkeley.info/Clerk/City_Council/2017/01_Jan/Documents/01-31_Annotated.aspx

ENVIRONMENTAL SUSTAINABILITY

The ongoing and successful efforts to compost the City's organic (both green and food waste) materials into a useful and beneficial soil amendments, such as, finished compost, and diverting Berkeley's organic (compostable) waste from the refuse and its permanent disposal in landfills, is an essential component of fulfilling the City's Zero Waste Goal and its 2009 Climate Action Plan.

RATIONALE FOR RECOMMENDATION

City Staff's review of recent RFPs issued by Bay Area agencies reveal limitations of facilities that may or could accept both green and food waste materials. EBMUB is still a small pilot program³, and Sonoma County Integrated Waste Management Authority's proposed food waste digesters are not operational. Both Waste Management Inc.'s Redwood Compost and Napa Recycling have food waste acceptance permit restrictions either by type or daily tonnage.

Since 2016, Recology has provided quality reliable service to the City and a reputation for delivering a high quality end products to the City's community members. Diversion of organic (compostable) materials plays a significant role in meeting the City's Climate Action Plan and waste diversion goals.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Greg Apa, Solid Waste & Recycling Manager, Public Works, (510) 981-6359.

Attachments:

1: Resolution

³ <https://www.ebmud.com/wastewater/recycling-water-and-energy/food-scraps-recycling>

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 10645 AMENDMENT: RECOLOGY, INC.'S BLOSSOM VALLEY ORGANICS - NORTH FOR HAULING AND PROCESSING OF ORGANIC (COMPOSTABLE) MATERIALS

WHEREAS, the City of Berkeley's Zero Waste Management Division currently collects approximately 33,000 tons of organic (compostable - green and food waste) materials per year; and

WHEREAS, the City in 2016 conducted a competitive request for proposals process for the hauling and processing (composting) services for the City's organic (compostable) materials; and

WHEREAS, Recology Inc.'s Blossom Valley Organics - North, Inc. was deemed the most responsive, qualified bidder, and meets all other contract requirements for a contract amendment; and

WHEREAS, on January 31, 2017, by Resolution No. 66,827 – N.S., the City Council authorized Contract No. 10645 with Recology Inc. for the hauling and processing of organic (compostable) materials in an amount not to exceed \$13,061,930 for the period of March 1, 2016 to February 29, 2020; and

WHEREAS, diverting organic (compostable) materials from Berkeley's landfilled waste is an essential component of meeting the City's waste reduction, zero waste and greenhouse gas reduction goals; and

WHEREAS, funding for this contract extension available in the FY 2020 Zero Waste Fund 601 budget; funding for FY 2021 - FY 2025 is subject to appropriation; and this contract has been assigned Contract Vendor Number 10645.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract amendment with Recology Inc.'s Blossom Valley Organics - North for the hauling and processing of organic (compostable green and food waste) materials through February 28, 2025 in an amount not-to-exceed \$26,661,930.